



STATE OF WASHINGTON

DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Economic Services Administration

Division of Child Care and Early Learning

P.O. Box 45480, Olympia, Washington 98504-5480

March 15, 2006

Dear Family Home Child Care Provider:

The Washington State Legislature passed a new law during the 2005 legislative session. Part of that law was about new liability insurance requirements for licensed child care. Those requirements are now listed in RCW 74.15.340.

This letter explains each portion of the new requirements and exactly what DCCEL will be looking for in order to be in compliance.

For all Family Home Providers

In all instances, licensed providers must tell parents in writing whether or not they have liability insurance.

- This written notice to parents can be added to the written material you already give parents.
- You are not required to notify parents about details of your insurance (policy number, company, policy limits, etc.).

For Family Home Providers Who Choose To Have Insurance

In addition to notifying parents about insurance status, providers who choose to have liability insurance have other decisions to make.

This new law says your liability limits should be the same as set in RCW 48.88.050. This raises four questions:

What qualifies as “day care insurance”?

- Day care insurance is defined in the RCW as “insurance coverage against the legal liability of the insured and against loss, damage, or expense incident to a claim arising out of the death or injury of any person as the result of negligence or malpractice in rendering professional service by any licensee.”
- Insurance policies and types of insurance vary widely. Your insurance professional is the best judge about whether your policy meets these requirements.

Will any other types of insurance qualify for this regulation?

- Yes, other types of insurance can qualify. Any insurance by a name other than “day care insurance” must still meet the requirements of RCW 48.88.020. Consult with your insurance professional.

What are the limits of liability expected?

- RCW 48.88.050 states that liability limits must be at least one hundred thousand dollars (\$100,000) per occurrence.

What proof of insurance do DCCEL licensors expect to see?

- DCCEL will accept any records from an insurance company that shows the provider has insurance meeting the requirements of RCW 48.88.020.

For Family Home Providers Who “Opt Out” And Do Not Have Insurance

Providers who choose to not have liability insurance must notify parents in writing that they don't have insurance.

- This written notice to parents can be added to the written material already given to parents (WAC 388-296-0500 “What written information am I required to give to parents?”).

For Family Home Providers Who Have Insurance That Lapses Or Is Terminated

1. Providers who have insurance that lapses or is terminated for any reason must let the licensor know about the change in coverage.
 - A simple phone call to licensors will meet this requirement. If your insurance is terminated for any reason, phone your licensor and inform them.
2. Providers who have insurance that lapses or is terminated must post a notice in the Family Child Care Home letting parents know about the change.
 - DCCEL will develop posters and make them available on the internet site.
3. Providers who have insurance that lapses or is terminated must provide written notice to parents. This notice must be provided within thirty days.
 - If a provider has insurance coverage terminated, or they allow the coverage to lapse, they must notify the parents in writing. This can be a simple letter delivered to parents. The provider should keep a copy of the letter to show to licensors.

Please keep in contact with your licensor to inform them of any changes in your insurance status, notify us of any confusing or unclear portions of the statute, and help us make this more clear and workable by offering suggestions for implementation.

Sincerely,



Joel Roalkvam, Licensing Policy Administrator
Division of Child Care and Early Learning

cc: Rachael Langen